

From: Corcoran, Howard

Sent: Wednesday, July 06, 2016 7:01 AM

To: 'Reginald Knowlton' <reginald.knowlton@gmail.com>

Cc: Scott Bogren <bogren@ctaa.org>; Askew, Wendel <Askew.Wendel@epa.gov>; Bryant, Tracy <Bryant.Tracy@epa.gov>

Subject: RE: DDO Decision on Appeal of Agency Decision dated June 18, 2015 regarding claim for refund of \$333,561 - Follow Up

Mr. Knowlton:

Given the unique circumstances of Community Development Transportation Lending Services management change, I will grant CDTLS one (and only one) more 30 day extension to submit substantive evidence in support of its Request for Review. Please note, however, that in order for me to reverse the Dispute Decision Official's May 20, 2016 determination that CDTLS must refund \$333, 561 in accrued Program Income plus interest and fees under Cooperative Agreement DE-83469201, CDTLS must provide:

- Contemporaneous records from CDTLS's accounting system demonstrating that an obligation in the amount of \$440,000 was recorded in the account for Cooperative Agreement DE-83469201 due to a loan CDTLS made to Meadowbrook Leasing on June 30, 2014.
- Contemporaneous records from CDTLS's accounting system demonstrating that CDTLS liquidated that obligation by transferring at least \$333,561 in loan funds to Meadowbrook on or before September 30, 2014.
- Evidence that a recorded Lien was executed on the 20 vehicles described in Exhibit 1 of the Loan Agreement between Meadowbrook and CDTLS simultaneously with the execution of the Promissory Note and loan agreement.
- A credible explanation for why CDTLS's performance report for the period ending June 30, 2014 not only did not disclose the Meadowbrook Loan but expressly stated that CDTLS did not make a loan to Meadowbrook between April 1, 2014 and June 30, 2014.

Note also that interest and fees will continue to accrue on CDTLS's debt to EPA while this matter is pending. Thanks, Howard

Howard F. Corcoran
Director, Office of Grants and Debarment
(202) 564-1903

From: Reginald Knowlton [<mailto:reginald.knowlton@gmail.com>]

Sent: Friday, July 01, 2016 5:29 PM

To: Corcoran, Howard <Corcoran.Howard@epa.gov>

Cc: Scott Bogren <bogren@ctaa.org>

Subject: DDO Decision on Appeal of Agency Decision dated June 18, 2015 regarding claim for refund of \$333,561 - Follow Up

Director Corcoran.

As the Interim Finance Director of Community Transportation Association (CTAA) I communicated with you on June 3, 2016 concerning this matter involving the Community Transportation Development Lending Services (CDTLS) and the decision under Cooperative Agreement DE-83469201 per the information from Denise Polk in her letter dated May 20th. In my communication I indicated both the Executive Director and the Finance Director of the Association had recently changed and you were kind enough to provide a 30 day extension through July 6th to submit information pertaining to a request for review. We are in the position of having to request of you another extension of at least thirty days.

I have reviewed the file and realize much information has been exchanged in this matter. Scott and I have met with some of the parties involved in the overall loan program including this specific transaction. One piece of two outstanding communication pieces pertains to an affirmation of the loan obligation from a reliable external source, in our case our audit firm. File notes and discussions with others involved at the time indicate the obligation was discussed with our outside auditors including recollection of inclusion of a statement in our audited report which I have not found. I have been advised the audited report I have access to may not be the finalized audited report. I am in the process of following up with the partner of our audit firm and have arranged to meet with her on July 8th. At that point I will be positioned to raise the issue with her which is pivotal to determining the merits of a final review. Should information be forthcoming that will result in proceeding with the request for review some time will be needed to better understand the second outstanding issue as well as to adequately prepare the request for review.

Thus the request to extend a bit longer.

Your consideration is most appreciated; I can be reached at this email or through my cell (8567012850) and Scott can be reached at his email or cell (2022471921) if you wish to further discuss.

Thank you for this consideration.

Rex Knowlton, CCTM
Principal, Knowlton Advisors

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